

Exhibit 9

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

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STEPHEN M. WILSON, et al.,

Plaintiffs,

against 07 Civ. 6176(LTS)

IMAGESAT INTERNATIONAL N.V.,

et al.,

Defendants.

-----x

MOSHE BAR-LEV

New York, New York

Tuesday, February 26, 2008

Reported by: Steven Neil Cohen, RPR

<p style="text-align: right;">Page 18</p> <p>1 Bar-Lev 2 want me to start? Kindergarten? 3 Q. You can start with college. 4 A. I got my engineering degree from 5 the Technion, my B.Sc., Bachelor of Science. 6 I got my Ph.D. from USC in Los 7 Angeles. 8 Q. When did you get your B.Sc. in 9 aeronautical engineering from Technion? 10 A. 1966. 11 Q. When did you get your Ph.D. 12 from -- 13 A. 1975. 14 Q. Had you done your military service 15 before or after or both? 16 A. Military service in Israel 17 includes also, you know, how do you say, 18 reserve duties. Do you refer to that? 19 Q. No, other than reserve duties. 20 A. Before. Just a minute. Before 21 the B.Sc., before I went to the Technion I 22 was in the paratroopers. 23 After I finished the Technion I 24 was in the Air Force. 25 Q. After you finished the Technion in</p>	<p style="text-align: right;">Page 20</p> <p>1 Bar-Lev 2 but I would rather not get into it. 3 Q. What years were you an officer in 4 the Air Force? 5 A. From 1967 up to 1970. 6 Q. Did you have a security clearance 7 during the period that you served in the Air 8 Force from 1967 to 1970? 9 A. Every officer had one, yes. 10 Q. Are there various classifications 11 of clearance that the military gives to 12 officers? 13 A. It was too long ago. I don't 14 remember what kind of classifications but 15 there are. 16 Q. Do you recall what classification 17 you had? 18 A. No. Well, to tell you which kind 19 of grade it was? 20 Q. Yes. 21 A. No, I don't remember. 22 Q. Do you recall whether you were -- 23 you had the clearance to receive secret 24 information? 25 A. I would phrase, yes. Depend --</p>
<p style="text-align: right;">Page 19</p> <p>1 Bar-Lev 2 1966 you went into what part of the Israeli 3 defense forces? 4 A. Into the Air Force. 5 Q. What was your specific role in the 6 Air Force? 7 A. I was an officer in the Air Force. 8 Q. Were -- did you have a specific 9 area of involvement in the Air Force as an 10 officer? 11 A. I don't think I would like to 12 disclose that. 13 Q. I am not meaning to probe what is 14 inappropriate to be probed but let me just 15 ask this question. 16 A. I will tell you, make it easier. 17 I was in the flight school and then I was in 18 the headquarter of the Air Force. 19 Q. When you were in the headquarter 20 of the Air Force what projects were you 21 involved with? 22 A. I cannot tell you. 23 Q. You cannot tell me because? 24 A. Because I regard that as a 25 sensitive issue for Israel. Maybe it is not</p>	<p style="text-align: right;">Page 21</p> <p>1 Bar-Lev 2 the secrecy, of course, has grades by 3 itself. 4 Q. What are the grades of secrecy 5 that exist? 6 A. I don't remember. Remember it was 7 '67. 8 Q. Are these grades of secrecy -- are 9 there grades of secrecy today in Israel? 10 A. I don't know. 11 Q. Do you recall who it is that gives 12 the securities clearance for you to serve in 13 the Air Force with a security clearance? 14 A. You mean by name? 15 Q. No. What unit? 16 A. Do you want me to answer? 17 MR. MATETSKY: Do you want him to 18 do it that way? I assume you don't. 19 MR. GOLDSTEIN: I would prefer -- 20 BY MR. GOLDSTEIN: 21 Q. The question is if you know the 22 word in English, that is great. If not -- 23 A. No, I don't know how to translate 24 it. 25 Q. Can you roughly describe what the</p>

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<p style="text-align: right;">Page 22</p> <p>1 Bar-Lev</p> <p>2 group -- is it within the military?</p> <p>3 A. It was in the military. It has to</p> <p>4 do with security.</p> <p>5 Q. They would assign --</p> <p>6 A. They will check you out and then</p> <p>7 they will assign you according to your</p> <p>8 position in the Air Force.</p> <p>9 Q. Do you recall once you had a</p> <p>10 securities clearance in the military whether</p> <p>11 it needed to be renewed?</p> <p>12 A. No, I don't. I don't remember. I</p> <p>13 assume it is done automatically.</p> <p>14 MR. MATETSKY: Don't assume</p> <p>15 things. Answer from what you know.</p> <p>16 BY MR. GOLDSTEIN:</p> <p>17 Q. You said that after completing</p> <p>18 your military service in the Air Force you</p> <p>19 then went to get your Ph.D.?</p> <p>20 A. Yes.</p> <p>21 Q. In California?</p> <p>22 A. Yes.</p> <p>23 Q. You received your Ph.D. in 1975?</p> <p>24 A. 1975, yes.</p> <p>25 Q. Then?</p>	<p style="text-align: right;">Page 24</p> <p>1 Bar-Lev</p> <p>2 group did you first work in, Dr. Bar-Lev?</p> <p>3 A. It was the control group dealing</p> <p>4 with aircrafts and aircraft flight dynamics</p> <p>5 and flight controls and then I moved into</p> <p>6 missile and I became the head of the future</p> <p>7 next generation sea to sea missiles.</p> <p>8 Then we started the space program</p> <p>9 of Israel. We initiated it really.</p> <p>10 Q. When you say that you initiated</p> <p>11 the space program of Israel, when was that,</p> <p>12 sir?</p> <p>13 A. The beginning of the '80s.</p> <p>14 Q. Was it a specific division of IAI</p> <p>15 in which you initiated the space program of</p> <p>16 Israel?</p> <p>17 A. It was MBT.</p> <p>18 Q. MBT is a division of IAI?</p> <p>19 A. It is a plant. It used to be a</p> <p>20 plant in IAI.</p> <p>21 Q. Within MBT was there a group that</p> <p>22 was focused on space?</p> <p>23 A. No, not at this point.</p> <p>24 It was part of the missile group,</p> <p>25 you call it, something else and then it</p>
<p style="text-align: right;">Page 23</p> <p>1 Bar-Lev</p> <p>2 A. M.Sc. and Ph.D., yes.</p> <p>3 Q. Then what did you do at that</p> <p>4 point, sir?</p> <p>5 A. After 1975?</p> <p>6 Q. Yes.</p> <p>7 A. I went back home.</p> <p>8 Q. Went back --</p> <p>9 A. Home. Home is Israel.</p> <p>10 Q. Home is Israel?</p> <p>11 A. Yes.</p> <p>12 Q. What did you do back home in</p> <p>13 Israel.</p> <p>14 A. I joined IAI.</p> <p>15 Q. Just for purposes of the record,</p> <p>16 when you say "IAI" and when I refer to IAI</p> <p>17 we are referring to Israel Aircraft, Israel</p> <p>18 Aerospace Industries as it is currently</p> <p>19 named?</p> <p>20 A. Yes. You know why I am smiling.</p> <p>21 Q. Do you want to share with us why</p> <p>22 you are smiling?</p> <p>23 A. It was because of us now it</p> <p>24 changed its name to Aerospace.</p> <p>25 Q. When you first joined the IAI what</p>	<p style="text-align: right;">Page 25</p> <p>1 Bar-Lev</p> <p>2 developed into an entity by itself.</p> <p>3 Q. Your title in this original group</p> <p>4 was what?</p> <p>5 A. The head of the directorate.</p> <p>6 Q. In the beginning of the 1980s when</p> <p>7 you assumed this position was there yet a</p> <p>8 space technology directorate?</p> <p>9 A. No.</p> <p>10 Q. So that followed after?</p> <p>11 A. Yes.</p> <p>12 Q. What was the impetus -- you say</p> <p>13 that in the beginning 1980s Israel, you</p> <p>14 began -- you initiated the space program in</p> <p>15 Israel?</p> <p>16 A. We.</p> <p>17 Q. We.</p> <p>18 Who do you include within the</p> <p>19 "we"?</p> <p>20 A. At some point Dr. Rosenbaum and</p> <p>21 the rest of the group that was with me on</p> <p>22 the sea-to-sea missile, engineers and</p> <p>23 technicians that we used in order to check</p> <p>24 this possibility.</p> <p>25 Q. Do you have any greater</p>

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<p style="text-align: right;">Page 26</p> <p>1 Bar-Lev 2 recollection of what year this began other 3 than the beginning of 1980s? 4 A. I am very bad at dates, okay. 5 Please recall that. It was the beginning of 6 the 1980s. 7 Q. What was the precipitating fact? 8 Why did Israel initiate a space 9 program in the early 1980s? 10 MR. MATETSKY: Objection to the 11 form. 12 You can answer. 13 THE WITNESS: I am not sure that I 14 am at liberty, okay, to disclose all the 15 facts for that. 16 BY MR. GOLDSTEIN: 17 Q. Because of sensitive information? 18 A. Because of sensitive information, 19 yes. 20 Q. Affecting the national security 21 interests of Israel? 22 A. That is correct, or may have, 23 okay. 24 Q. Now was the space program 25 developed by MBT alone or was it in</p>	<p style="text-align: right;">Page 28</p> <p>1 Bar-Lev 2 Observation satellites, both 3 select or optical, radar or static aperture 4 satellites and also communication satellites 5 all of which we were part of. 6 Q. By the time Israel began 7 building -- developing a earth observation 8 satellite were there other countries that 9 had already developed such technology? 10 A. Yes. 11 Q. Why was it that Israel decided to 12 pursue its own development rather than 13 purchase one from another country? 14 MR. MATETSKY: Objection to the 15 form. 16 THE WITNESS: I don't think I will 17 answer that. 18 MR. MILLER: Would you say that 19 again? 20 THE WITNESS: I will not answer 21 that question. I consider it to be 22 sensitive. 23 BY MR. GOLDSTEIN: 24 Q. With respect to the national 25 security interests of Israel?</p>
<p style="text-align: right;">Page 27</p> <p>1 Bar-Lev 2 conjunction with the Israeli military? 3 A. It was done with the Israeli 4 military. I am not sure it is sensitive 5 information or not but it was done with the 6 Israeli military. 7 Q. What was the intended purpose of 8 the Israeli space program? 9 A. To develop space technology in 10 Israel. 11 Q. For the purpose of putting a man 12 on the moon or for some other purpose? 13 MR. MATETSKY: Objection to the 14 form. 15 BY MR. GOLDSTEIN: 16 Q. You can answer. 17 A. It was not to put man on the moon. 18 Q. What was its purpose, Dr. Bar-Lev? 19 A. As I said, to develop technologies 20 that may lead to any other derivatives. 21 Q. What kind of derivatives? 22 A. Anything that a missile can do, a 23 satellite can do, as you know, okay, 24 probably, okay, that by now Israel has 25 developed, okay.</p>	<p style="text-align: right;">Page 29</p> <p>1 Bar-Lev 2 A. Right. 3 Q. During your tenure at MBT there 4 were three Ofeq satellites that were 5 successfully launched; is that correct? 6 A. Yes. 7 Q. They were all launched from the 8 Shavit launcher in Israel, correct? 9 A. They were launched by an Israeli 10 launcher from Israel. 11 Q. In Shavit? 12 A. I am not -- I am familiar with the 13 name. It is not the right name. 14 Q. What is the right name, sir? 15 A. I am not at liberty to say that. 16 Q. Because it affects the national 17 security of Israel? 18 A. Yes. 19 Q. At the time you were at MBT 20 working on the space program did you have 21 military clearance of some sort? 22 A. Yes, definitely. 23 Q. Do you recall the clearance that 24 you had? 25 A. No, but it was a top clearance.</p>

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<p style="text-align: right;">Page 30</p> <p>1 Bar-Lev</p> <p>2 Q. Now, how long did it take from the</p> <p>3 time that Israel began developing satellite</p> <p>4 technology until the first launch of the</p> <p>5 Ofeq?</p> <p>6 A. Basically, four years.</p> <p>7 Q. And in total -- and then there</p> <p>8 were launches through 1995?</p> <p>9 A. Then it continued.</p> <p>10 Q. Of Ofeq 3?</p> <p>11 A. Yes.</p> <p>12 Q. Can you estimate how much it cost</p> <p>13 to design and develop the Ofeq technology</p> <p>14 through the launch of Ofeq 3 in 1995?</p> <p>15 A. I am not at liberty to disclose</p> <p>16 that information.</p> <p>17 Q. Do you have a sense of the</p> <p>18 magnitude of the cost?</p> <p>19 A. I may have but, again, I would</p> <p>20 refer you to IAI to get this information</p> <p>21 since you represent them anyway.</p> <p>22 Q. You are not at liberty to disclose</p> <p>23 that information?</p> <p>24 A. No, because I think, again, okay,</p> <p>25 that it may be sensitive information.</p>	<p style="text-align: right;">Page 32</p> <p>1 Bar-Lev</p> <p>2 MR. MATETSKY: No. Let's take a</p> <p>3 short break here. Thank you.</p> <p>4 Off the record.</p> <p>5 MR. GOLDSTEIN: I want to finish</p> <p>6 the topic. I want to finish the topic.</p> <p>7 MR. MATETSKY: I have never at a</p> <p>8 deposition had counsel refuse to</p> <p>9 accommodate a break. I won't physically</p> <p>10 walk out of the room if you are going to</p> <p>11 ask questions but I object.</p> <p>12 MR. GOLDSTEIN: My sense is this</p> <p>13 is a purely tactical break.</p> <p>14 Dr. Bar-Lev has not asked for a</p> <p>15 break. We started a short time ago.</p> <p>16 This is a break designed for no</p> <p>17 other reason than to speak with your</p> <p>18 witness about the substance of his</p> <p>19 testimony and that is absolutely and</p> <p>20 entirely inappropriate.</p> <p>21 MR. MATETSKY: No. I think the</p> <p>22 purpose of the break was to see if the</p> <p>23 witness could provide more information</p> <p>24 in response to your questions which I</p> <p>25 would have assumed is something you</p>
<p style="text-align: right;">Page 31</p> <p>1 Bar-Lev</p> <p>2 Q. And affect the national security</p> <p>3 interests of Israel?</p> <p>4 A. Probably, and IAI, okay, which is</p> <p>5 part of Israel.</p> <p>6 Q. You said probably, I believe, in</p> <p>7 answer to my question?</p> <p>8 A. Excuse me.</p> <p>9 Q. Do you know who financed the</p> <p>10 technology for Israel to obtain space</p> <p>11 technology?</p> <p>12 A. Yes.</p> <p>13 Q. Who was that?</p> <p>14 A. I am not at liberty to disclose</p> <p>15 that.</p> <p>16 Q. Because it affects the national</p> <p>17 security interests of Israel?</p> <p>18 A. Yes.</p> <p>19 MR. MATETSKY: Let's take a short</p> <p>20 break.</p> <p>21 MR. GOLDSTEIN: No, no.</p> <p>22 MR. MATETSKY: We can take a break</p> <p>23 at any time.</p> <p>24 MR. GOLDSTEIN: We just started.</p> <p>25 Let's wait a little bit.</p>	<p style="text-align: right;">Page 33</p> <p>1 Bar-Lev</p> <p>2 would like to have had happen.</p> <p>3 MR. GOLDSTEIN: My sense is the</p> <p>4 witness is in the best position to</p> <p>5 answer these questions.</p> <p>6 MR. MATETSKY: If you won't</p> <p>7 accommodate a break we won't take a</p> <p>8 break.</p> <p>9 I have never had that happen in 20</p> <p>10 years.</p> <p>11 MR. GOLDSTEIN: We will finish the</p> <p>12 subject.</p> <p>13 MR. MATETSKY: In 20 years no one</p> <p>14 has ever refused to accommodate a</p> <p>15 request for a break. Go ahead.</p> <p>16 MR. GOLDSTEIN: There is always a</p> <p>17 first time.</p> <p>18 BY MR. GOLDSTEIN:</p> <p>19 Q. Dr. Bar-Lev, were there any</p> <p>20 foreign countries involved in financing any</p> <p>21 of the Ofeq satellite program?</p> <p>22 MR. MATETSKY: Objection. This</p> <p>23 goes beyond the scope of jurisdictional</p> <p>24 discovery.</p> <p>25 MR. GOLDSTEIN: It absolutely does</p>

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<p style="text-align: right;">Page 34</p> <p>1 Bar-Lev</p> <p>2 not go beyond the scope of our motion</p> <p>3 which relates to foreign sovereign</p> <p>4 immunity, international comity and forum</p> <p>5 non conveniens.</p> <p>6 BY MR. GOLDSTEIN:</p> <p>7 Q. I repeat the question,</p> <p>8 Dr. Bar-Lev.</p> <p>9 Were any foreign countries</p> <p>10 involved in financing any of the Ofeq</p> <p>11 satellite project?</p> <p>12 A. I am not at liberty to disclose</p> <p>13 that.</p> <p>14 Q. Because it would affect the</p> <p>15 national security interests of Israel?</p> <p>16 MR. MATETSKY: Objection.</p> <p>17 THE WITNESS: I am not at liberty</p> <p>18 to disclose it.</p> <p>19 BY MR. GOLDSTEIN:</p> <p>20 Q. What role did you specifically</p> <p>21 play in the design and development of the</p> <p>22 Ofeq satellite technology?</p> <p>23 A. I was highly involved in that.</p> <p>24 Q. I understand that is a very large</p> <p>25 question and it spans a large amount of</p>	<p style="text-align: right;">Page 36</p> <p>1 Bar-Lev</p> <p>2 Go through a specific design, now, after you</p> <p>3 finished the PDR.</p> <p>4 Then check out, okay, whatever</p> <p>5 system you are developing and in this case</p> <p>6 then of course prepare the launch, okay.</p> <p>7 That includes everything that goes</p> <p>8 around. It is not only the satellite, it is</p> <p>9 the ground stations, the operation of the</p> <p>10 satellite and so on.</p> <p>11 I was involved highly in all</p> <p>12 aspects, especially in the technical parts.</p> <p>13 Q. Were you, in terms of this design</p> <p>14 and development process that you have just</p> <p>15 described, in frequent contact with the</p> <p>16 Israeli military about the program?</p> <p>17 A. I wouldn't say frequent but I was.</p> <p>18 Q. Who owned the Ofeq satellite</p> <p>19 technology that was being built by MBT?</p> <p>20 A. I believe that basically IAI but</p> <p>21 you have to remember that IAI is a</p> <p>22 state-owned company.</p> <p>23 You probably know that already.</p> <p>24 Q. What types of issues would you</p> <p>25 interact with people in the Israeli military</p>
<p style="text-align: right;">Page 35</p> <p>1 Bar-Lev</p> <p>2 time.</p> <p>3 A. In every aspect.</p> <p>4 Q. Can you generally describe,</p> <p>5 Dr. Bar-Lev, what your role was in terms of</p> <p>6 the design and development of the Ofeq</p> <p>7 satellite technology?</p> <p>8 A. It is a long answer, okay. Are</p> <p>9 you ready for that?</p> <p>10 Q. Sure.</p> <p>11 A. Okay.</p> <p>12 You have to understand that in</p> <p>13 order to design something, I am not speaking</p> <p>14 about managing, okay, you have, first of</p> <p>15 all, to understand what the requirements</p> <p>16 are, to translate it into mission</p> <p>17 requirements, to find some, I would say,</p> <p>18 options for system design, to find what the</p> <p>19 best system configuration is, in all</p> <p>20 aspects, engineering, price-wise,</p> <p>21 availability, design and things like that.</p> <p>22 Then go through a preliminary</p> <p>23 design to make sure that what you are doing</p> <p>24 is right.</p> <p>25 Make reviews, okay, to do that.</p>	<p style="text-align: right;">Page 37</p> <p>1 Bar-Lev</p> <p>2 or the ministry of defense relating to the</p> <p>3 design and development of the Ofeq satellite</p> <p>4 technology.</p> <p>5 A. You are relating to some kind of</p> <p>6 an answer that I gave you before that I</p> <p>7 didn't want to answer.</p> <p>8 So the nature of our relationship</p> <p>9 I cannot disclose.</p> <p>10 Q. Because it affects national</p> <p>11 security interests?</p> <p>12 A. Because I believe it has some</p> <p>13 impacts.</p> <p>14 Q. Who paid for the Ofeq satellite</p> <p>15 technology?</p> <p>16 MR. MATETSKY: Asked and answered,</p> <p>17 or asked and responded to.</p> <p>18 BY MR. GOLDSTEIN:</p> <p>19 Q. Is the person who pays for the</p> <p>20 technology the owner?</p> <p>21 MR. MATETSKY: Objection.</p> <p>22 Objection to form on multiple grounds.</p> <p>23 BY MR. GOLDSTEIN:</p> <p>24 Q. You can answer.</p> <p>25 A. It is too complicated for me to</p>

10 (Pages 34 to 37)

<p style="text-align: right;">Page 38</p> <p>1 Bar-Lev 2 answer. 3 Q. At some point there developed the 4 idea of potentially commercializing the Ofeq 5 satellite; is that correct? 6 A. We did. 7 Q. When you say "we did --" 8 A. I mean my directorate did. 9 Basically it was Dr. Rosenbaum and 10 me. 11 Q. It was your idea to -- 12 A. Our idea, yes. 13 Q. Let me finish the question. 14 It was your idea to commercialize 15 the Ofeq satellite for commercial purposes? 16 A. Yes. 17 Q. And this was an idea you had while 18 you were first still at IAI? 19 A. Yes. 20 Q. Do you recall when you and Dr. 21 Rosenbaum approximately first had this idea? 22 A. Well, I told you before I am very 23 bad in dates, okay. Dr. Rosenbaum is much 24 better than I am, probably can correct me 25 later, but it was somewhere around 1993,</p>	<p style="text-align: right;">Page 40</p> <p>1 Bar-Lev 2 persons. 3 I was involved in one way or the 4 other obviously because -- yes. 5 Q. With whom would you meet on these 6 subjects? 7 A. I cannot answer that. 8 Q. You cannot tell me? 9 A. No. 10 Q. Because it -- 11 A. First, I don't remember. There is 12 a lot of people and I don't want to disclose 13 the organization of the MOD, Ministry of 14 Defense. 15 Q. Because it could affect our -- 16 A. It may have implications. I don't 17 know about security. 18 Q. Do you know over what period of 19 time you were involved in discussing with 20 the Ministry of Defense the possibility of 21 its approving the commercialization of the 22 Ofeq satellite technology? 23 A. As I told you at that time. 24 Q. Do you know what period of time? 25 A. No.</p>
<p style="text-align: right;">Page 39</p> <p>1 Bar-Lev 2 1994. 3 Q. Was approval necessary from the 4 Israeli Ministry of Defense or other 5 governmental entities before the Ofeq 6 satellite technology could be 7 commercialized? 8 A. Yes. 9 Q. Who at MBT was the point person in 10 trying to obtain approval from the Israeli 11 Ministry of Defense to commercialize the 12 Ofeq satellite technology? 13 A. It is not a specific person. It 14 is the complete administration including us 15 and other people who were in the division. 16 Q. I didn't mean to interrupt. 17 Had you completed -- 18 A. I am finished. 19 Q. Were you one of the people who was 20 involved in discussing with the Ministry of 21 Defense its approval to commercialize the 22 Ofeq satellite technology? 23 A. Again, it is -- you have to 24 realize that even the minister of defense is 25 not one person, okay. It is a lot of</p>	<p style="text-align: right;">Page 41</p> <p>1 Bar-Lev 2 Q. Is this a month-long period, 3 many-year-long period, how long a period was 4 it? 5 A. It stretched all the time since 6 then. 7 At that time I was at IAI and it 8 continued after I had left IAI and also Dr. 9 Rosenbaum left IAI. 10 We had one year another business 11 and then we joined together with Steve to 12 start WIS and then the whole process started 13 again. 14 Q. Is it fair to say that the process 15 of obtaining approval from the IMOD to 16 commercialize the Ofeq satellite was a 17 difficult one? 18 A. This was a relative term, okay. 19 Q. On any relative measure was it a 20 difficult process to get approval from the 21 Israeli Ministry of Defense to commercialize 22 the Ofeq satellite technology? 23 A. I can't answer that. I have seen 24 harder things and I saw projects that didn't 25 materialize.</p>

11 (Pages 38 to 41)

<p style="text-align: right;">Page 42</p> <p>1 Bar-Lev</p> <p>2 Q. What were the issues that the</p> <p>3 Ministry of Defense were concerned about in</p> <p>4 terms of the commercialization of the Ofeq</p> <p>5 satellite technology?</p> <p>6 MR. MATETSKY: I object to the</p> <p>7 form of that question because it is</p> <p>8 asking him to read another person's</p> <p>9 mind.</p> <p>10 THE WITNESS: I cannot answer.</p> <p>11 MR. GOLDSTEIN: You and I can</p> <p>12 debate that at some point but if you can</p> <p>13 answer the question.</p> <p>14 THE WITNESS: I will not answer</p> <p>15 that because whatever you say, it may</p> <p>16 affect, okay.</p> <p>17 BY MR. GOLDSTEIN:</p> <p>18 Q. It may affect the national</p> <p>19 security interests of Israel?</p> <p>20 A. Yes, definitely.</p> <p>21 Q. Is it correct that it took more</p> <p>22 than four years for a policy to be put in</p> <p>23 place which would allow a company like</p> <p>24 ImageSat to operate?</p> <p>25 MR. MATETSKY: Objection to form.</p>	<p style="text-align: right;">Page 44</p> <p>1 Bar-Lev</p> <p>2 what the complaint is.</p> <p>3 MR. GOLDSTEIN: I generally don't</p> <p>4 mark complaints.</p> <p>5 MR. MILLER: Fine.</p> <p>6 THE WITNESS: Just tell me what to</p> <p>7 look at.</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. If you look at paragraph -- page</p> <p>10 25, you have seen the complaint before?</p> <p>11 A. Yes. I have glanced through it.</p> <p>12 Q. When you say you glanced on it --</p> <p>13 A. I read it.</p> <p>14 Q. You agreed?</p> <p>15 A. Can you tell me --</p> <p>16 Q. -- with the statements contained</p> <p>17 in it?</p> <p>18 A. Yes, I did.</p> <p>19 Can you tell me where to look at?</p> <p>20 Q. Sure.</p> <p>21 If you look at -- in the middle of</p> <p>22 the page there is a sentence beginning, "The</p> <p>23 fundamental of the policy" -- it says, "The</p> <p>24 fundamentals of the policy regime under</p> <p>25 which the company was to be operated took</p>
<p style="text-align: right;">Page 43</p> <p>1 Bar-Lev</p> <p>2 THE WITNESS: I am not aware of</p> <p>3 any specific policy that was formed.</p> <p>4 BY MR. GOLDSTEIN:</p> <p>5 Q. Are you aware that in order for a</p> <p>6 company like ImageSat to operate a formal</p> <p>7 bilateral agreement was needed between</p> <p>8 Israel and the United States?</p> <p>9 A. No, I don't recollect such a</p> <p>10 thing.</p> <p>11 Q. Let me ask you to look at the</p> <p>12 complaint that was filed in this action.</p> <p>13 Dr. Bar-Lev, I would like to ask</p> <p>14 you to look at paragraph 64 on page 25 of</p> <p>15 the complaint.</p> <p>16 A. What do you want me to look at?</p> <p>17 Q. Is it actually page 25.</p> <p>18 A. What section?</p> <p>19 Q. I will direct you. This may be</p> <p>20 easier to read.</p> <p>21 A. I can read it.</p> <p>22 MR. GOLDSTEIN: I don't think</p> <p>23 there is any reason to mark the</p> <p>24 complaint.</p> <p>25 MR. MATETSKY: I think we all know</p>	<p style="text-align: right;">Page 45</p> <p>1 Bar-Lev</p> <p>2 more than four years to put in place</p> <p>3 eventually requiring negotiation of a</p> <p>4 formal, bilateral policy agreement between</p> <p>5 Israel and the United States."</p> <p>6 Do you see that, sir?</p> <p>7 A. Yes, I see that, yes.</p> <p>8 Q. Is that a correct statement?</p> <p>9 A. Regarding the four years, I told</p> <p>10 you how long it took from the time that we</p> <p>11 initiated it and the times that we left IAI</p> <p>12 started WIS and got finally, okay, the</p> <p>13 permission. That --</p> <p>14 Q. Let me stop you there,</p> <p>15 Dr. Bar-Lev, not meaning to interrupt.</p> <p>16 Does the four year time frame</p> <p>17 sound about right to you?</p> <p>18 A. Yes, because 1994 plus four is</p> <p>19 1998 which sounds right, yes.</p> <p>20 Q. Focusing on the second part of the</p> <p>21 sentence, "Eventually requiring the</p> <p>22 negotiation of a formal bilateral policy</p> <p>23 agreement between Israel and the United</p> <p>24 States," is that correct?</p> <p>25 A. Probably. Okay. I am not aware</p>

12 (Pages 42 to 45)

<p style="text-align: right;">Page 46</p> <p>1 Bar-Lev 2 of this agreement. 3 Q. You are not aware of this 4 agreement? 5 A. I am not aware of the specific 6 agreement. I would assume that it would 7 have. 8 Q. Had you heard that there was such 9 a formal bilateral policy agreement that was 10 entered into between Israel and the United 11 States? 12 A. I don't remember. Not to the best 13 of my recollection. 14 Q. I take it you couldn't answer who 15 negotiated such a policy agreement? 16 A. And if I did I wouldn't tell you. 17 Sorry about that. 18 Q. You wouldn't tell me because? 19 A. That is exposing -- 20 MR. MATETSKY: Objection. 21 MR. GOLDSTEIN: You can't stop in 22 the middle of his answer, Mr. Matetsky. 23 Mr. Matetsky, you are now -- if 24 you have -- there are four words to say; 25 objection as to form.</p>	<p style="text-align: right;">Page 48</p> <p>1 Bar-Lev 2 Q. Do you know whether the policy 3 agreement that is referenced here would be 4 publicly available? 5 A. I don't know. 6 Q. Do you know how I would go about 7 obtaining a copy of it? 8 A. No. I am a simple engineer. You 9 have to understand that. 10 Q. Dr. Bar-Lev, you testified 11 previously that it was your idea with others 12 to commercialize the Ofeq technology. 13 A. It was our idea, yes. 14 Q. Just for ease of the reporter you 15 have to let me finish so he can get my 16 questions. 17 A. Sorry. 18 Q. And then your answer. 19 MR. MATETSKY: Then you have to 20 pause for a minute so I can make my 21 objection and not get yelled at. 22 BY MR. GOLDSTEIN: 23 Q. What was your role in the 24 commercialization of the Ofeq technology? 25 A. Well, I will give you a broader</p>
<p style="text-align: right;">Page 47</p> <p>1 Bar-Lev 2 Do not speak in terms -- 3 MR. MATETSKY: Control your voice. 4 MR. GOLDSTEIN: Mr. Matetsky, I 5 will do what I want to do. 6 MR. MATETSKY: I object to the 7 form of the question as being 8 hypothetical. 9 BY MR. GOLDSTEIN: 10 Q. Dr. Bar-Lev -- 11 A. Let me make a statement at this 12 point. 13 Q. Go ahead. 14 A. You have to realize that I am in a 15 very sensitive position, okay, because I 16 have to defend the security of Israel and 17 also the interest of IAI which is 18 interwoven, okay, with the security of 19 Israel in one way or the other. 20 The last thing I want to do is to 21 expose, okay, the possibility, whether 22 individuals, organizations or processes, 23 okay. This is why I am avoiding, okay, 24 those questions, with your permission. 25 Okay.</p>	<p style="text-align: right;">Page 49</p> <p>1 Bar-Lev 2 answer if you would like to, okay. 3 We at the directorate at some 4 point, because of some events, okay, decided 5 to strengthen, okay, our directorate and to 6 go into commercialization of the 7 technologies that we have developed. 8 One of the projects or the 9 programs that we started, and you will 10 probably know about, is the communication 11 satellite and that started even before we 12 started thinking about commercialization of 13 Ofeq satellite and then being exposed to the 14 commercial world in some sense, this is 15 where we started thinking maybe to do the 16 impossible and take the sensitive technology 17 and commercialize it. 18 It made sense, okay, for IAI to do 19 that. 20 Q. You made reference to the 21 directorate. 22 You are referring to the space 23 technology directorate? 24 A. Space technology directorate which 25 I head, yes, me, and Dr. Rosenbaum was my</p>

<p style="text-align: right;">Page 50</p> <p>1 Bar-Lev</p> <p>2 deputy.</p> <p>3 Q. Once the process began to make the</p> <p>4 impossible possible what role did you play</p> <p>5 at IAI in the design and development of what</p> <p>6 would be the EROS satellite?</p> <p>7 A. I was the one who started it. We</p> <p>8 were the ones who started it.</p> <p>9 We wrote the business plan and we</p> <p>10 went around trying to persuade everyone</p> <p>11 including the management of IAI of the</p> <p>12 viability and the possibility of this</p> <p>13 program.</p> <p>14 Q. Do you know how much it cost to</p> <p>15 commercialize the Ofeq satellite technology</p> <p>16 and create the EROS program?</p> <p>17 A. I would not answer that.</p> <p>18 Q. You would not?</p> <p>19 A. I will not answer that. Again,</p> <p>20 okay.</p> <p>21 Q. Because it affects the national</p> <p>22 security interests of Israel?</p> <p>23 A. And it may expose things, okay,</p> <p>24 including your client, okay.</p> <p>25 Q. Do you know who financed the</p>	<p style="text-align: right;">Page 52</p> <p>1 Bar-Lev</p> <p>2 technology?</p> <p>3 A. No, no, I don't know.</p> <p>4 Q. Dr. Bar-Lev you said in describing</p> <p>5 the reason for having the idea to</p> <p>6 commercialize the Ofeq technology, you said</p> <p>7 that we at the directorate at some point</p> <p>8 because of some events decided to strengthen</p> <p>9 our directorate and to go into the</p> <p>10 commercialization of the technologies that</p> <p>11 we have developed.</p> <p>12 What events were you referring to?</p> <p>13 A. Basically, if you want to hear it</p> <p>14 was the LAVI collapse.</p> <p>15 Q. What was the LAVI collapse?</p> <p>16 A. The LAVI was a military aircraft</p> <p>17 that was designed by IAI and was canceled.</p> <p>18 Q. Why was it canceled?</p> <p>19 A. Because the Government of Israel</p> <p>20 decided to cancel it.</p> <p>21 Q. Why did the Government of Israel</p> <p>22 decide to cancel it?</p> <p>23 A. That is not up to me to tell you</p> <p>24 that.</p> <p>25 Q. Do you know why?</p>
<p style="text-align: right;">Page 51</p> <p>1 Bar-Lev</p> <p>2 commercialization of the Ofeq satellite</p> <p>3 technology?</p> <p>4 A. It was done in WIS at the end.</p> <p>5 Q. My question was who specifically</p> <p>6 was financing -- was there an entity who was</p> <p>7 financing the project?</p> <p>8 A. No. At that time at IAI you mean?</p> <p>9 Q. Yes.</p> <p>10 A. No. The answer was no entity.</p> <p>11 It was our job, okay, to do it.</p> <p>12 We wrote -- it was a business plan. We went</p> <p>13 around and tried to persuade all the</p> <p>14 entities that are involved, okay, to do</p> <p>15 that.</p> <p>16 Q. Were there any --</p> <p>17 A. There was no budget for that.</p> <p>18 Q. When you say there was no</p> <p>19 budget --</p> <p>20 A. There was no budget allocated</p> <p>21 outside my directorate for that.</p> <p>22 I used my R&D.</p> <p>23 Q. Do you know whether any other</p> <p>24 governmental entities were involved in IAI's</p> <p>25 effort to commercialize the Ofeq satellite</p>	<p style="text-align: right;">Page 53</p> <p>1 Bar-Lev</p> <p>2 A. No. It was their decision, okay.</p> <p>3 Q. It was a military decision?</p> <p>4 A. The Government of Israel includes</p> <p>5 other aspects, okay.</p> <p>6 Q. What was the connection -- sorry.</p> <p>7 You think it was --</p> <p>8 A. I think it was political also.</p> <p>9 Q. What was the connection between</p> <p>10 the collapse of the LAVI program and your</p> <p>11 decision to commercialize Ofeq, what is the</p> <p>12 linkage?</p> <p>13 A. We were looking for other clients,</p> <p>14 okay, outside of the Government of Israel</p> <p>15 that may support such endeavors in order to</p> <p>16 make sure that whatever we have built and</p> <p>17 the people that we have trained and the</p> <p>18 technologies that we have developed in IAI</p> <p>19 will survive, okay, a similar collapse,</p> <p>20 would it happen.</p> <p>21 Q. While you were at --</p> <p>22 A. It was not IAI policy. It was the</p> <p>23 directorate policy to do that.</p> <p>24 Q. Now, you are familiar with the</p> <p>25 technology called SAR, S-A-R?</p>

14 (Pages 50 to 53)

<p style="text-align: right;">Page 74</p> <p>1 Bar-Lev 2 station, ground stations you need a license 3 but I was not involved in getting a license. 4 Q. Just to be clear, it would be a 5 license from the Israeli government? 6 A. Anything in Israel whatever, 7 require, like anything else, would require a 8 license from the places they are operating, 9 when they are transmitting into the area you 10 need some kind of license so as to not to 11 interfere. That is obvious. 12 Q. Do you recall that the Ministry of 13 Defense placed certain conditions on IAI's 14 sale to ImageSat of the EROS A and EROS B 15 Satellites? 16 A. Can you ask it again? 17 Q. Do you recall that the Ministry of 18 Defense placed certain conditions on IAI's 19 sale to ImageSat of their EROS A and EROS B 20 satellites? 21 A. Okay. I understand what you are 22 saying. 23 Yes, definitely. 24 For example, there was a list of 25 countries, okay. Some of them which were</p>	<p style="text-align: right;">Page 76</p> <p>1 Bar-Lev 2 MR. MATETSKY: Objection to form. 3 You can answer. 4 THE WITNESS: I can answer? 5 MR. MATETSKY: Yes. 6 THE WITNESS: Okay. Yes. 7 Definitely. Okay. But I would like to 8 explain that. Okay? 9 BY MR. GOLDSTEIN: 10 Q. Sure. 11 A. Obviously, to the best of my 12 recollection it had to do with the problem 13 of taking images over Israel or near Israel 14 that may have something to do with the 15 security of Israel which is obvious, the 16 same way that other countries are protecting 17 themselves to my opinion. 18 Q. Would you agree, Dr. Bar-Lev, that 19 Israel, the Government of Israel, could 20 revoke, modify any of the licenses even if 21 it did not relate to taking images over 22 Israel if the government determined that it 23 was in the national security of interests of 24 Israel to do so? 25 MR. MATETSKY: Objection to form.</p>
<p style="text-align: right;">Page 75</p> <p>1 Bar-Lev 2 prohibited, which are rogue, how you call it 3 rogue, countries, obviously rogue countries. 4 Other countries should have gotten 5 the license or the agreement of the MOD but 6 most of them got it. It is an extensive 7 list of countries. 8 Q. Are you aware that the licenses 9 granted to IAI by the IMOD in connection 10 with the operation of the ImageSat 11 satellites are subject to annual renewal? 12 A. No. I don't remember that. 13 Q. Do you recall that one of the 14 conditions of the IMOD to granting the 15 license to IAI to do business with ImageSat 16 was to have the satellite operated through 17 mabat? 18 A. I do recall something like that at 19 the beginning, yes. 20 Q. Would you agree that the 21 Government of Israel could revoke at any 22 time for reasons of national security the 23 approval it had given to IAI and ImageSat to 24 do business with any of the countries on the 25 approved list?</p>	<p style="text-align: right;">Page 77</p> <p>1 Bar-Lev 2 THE WITNESS: Can I answer? 3 MR. MATETSKY: Yes, you can answer 4 the question anyway unless I tell you 5 not to. 6 THE WITNESS: Okay. 7 I would assume, yes, but it has to 8 be presented and persuasive arguments 9 that it does have something to do with 10 the security of Israel. 11 BY MR. GOLDSTEIN: 12 Q. You would agree that in connection 13 with ImageSat's business the Government of 14 Israel never agreed to do anything to limit 15 its sovereign authority? 16 MR. MATETSKY: Objection to form. 17 THE WITNESS: It is a legal 18 question. Okay. I am not qualified to 19 answer that. 20 MR. GOLDSTEIN: I would like to 21 mark as Bar-Lev Exhibit 1 a document 22 that we have put Bates stamps on of IAI 23 00598 through 600. 24 (Document with Bates Numbers 00598 25 through 600 was marked Bar-Lev Exhibit 1 for</p>

20 (Pages 74 to 77)

<p style="text-align: right;">Page 90</p> <p>1 Bar-Lev 2 me in a corner, okay. I don't know. 3 Okay. 4 BY MR. GOLDSTEIN: 5 Q. I am asking. I am not looking to 6 put you in a corner. 7 A. But you are. You don't intend to 8 but you are. Okay. 9 Q. What did you understand, what -- 10 A. You are. 11 Q. Let me ask the question. 12 What do you understand paragraph 5 13 to mean as you sit here today? 14 MR. MATETSKY: Objection to form. 15 THE WITNESS: Okay. I think I 16 referred to it before. 17 I said that the sovereignty of a 18 state was contended to some point, okay, 19 what it means, okay, in one of the 20 earlier questions. 21 I am really not in a liberty, 22 okay, to interpret or not to interpret, 23 whatever, okay. 24 If you really need an answer from 25 me I will have to go to a legal adviser</p>	<p style="text-align: right;">Page 92</p> <p>1 Bar-Lev 2 A. What I would do in what position? 3 Q. What did you think would happen 4 based on your reading of Bar-Lev Exhibit 1? 5 A. I believe that the investors, 6 okay, those who invested money in that, 7 okay, would consider the case, okay, and 8 then agree to whatever needs to be done 9 because it has some implications under 10 marketing capabilities and the income of the 11 company. 12 Q. So? 13 A. You said it is probably in a case 14 that it doesn't make sense, okay, to them at 15 least, okay. 16 If it makes sense then obviously 17 it would have been accepted. 18 Q. When you say if it made sense it 19 obviously would have been accepted, in other 20 words, if the Israeli government had a 21 legitimate national security interest 22 obviously there would have been no ability 23 to question that judgment by Israel? 24 MR. MATETSKY: Objection to form. 25 THE WITNESS: I believe so, yes.</p>
<p style="text-align: right;">Page 91</p> <p>1 Bar-Lev 2 and get a clear answer to you, okay, 3 because I believe, just to finish the 4 sentence, because I believe the 5 sovereignty of a state is not 6 overwhelming totally. It is not a total 7 one. 8 This is my own, okay, belief. 9 BY MR. GOLDSTEIN: 10 Q. What do you understand to be the 11 limits on sovereign authority? 12 A. I am not -- I am sure this is a 13 legal. It depends on the country, depends 14 on its laws and so on. 15 Q. What do you understand to be the 16 limits, if any, on the sovereign authority 17 of Israel? 18 MR. MATETSKY: Objection to form. 19 THE WITNESS: Again, okay. I am 20 not a lawyer. I cannot answer that. 21 BY MR. GOLDSTEIN: 22 Q. What do you think, Dr. Bar-Lev, 23 would happen if you found that the arguments 24 presented by the Ministry of Defense for 25 revoking a license were not persuasive?</p>	<p style="text-align: right;">Page 93</p> <p>1 Bar-Lev 2 BY MR. GOLDSTEIN: 3 Q. Are you aware, Dr. Bar-Lev, that 4 at some point while you were at ImageSat the 5 Israeli Ministry of Defense had negotiations 6 about certain potential opportunities that 7 you believed to be contrary to what the 8 Ministry of Defense would be allowed to do 9 on its own without using ImageSat? 10 A. You mean to offer services similar 11 to ImageSat? 12 Q. Yes. 13 A. I remember some instances. I 14 don't remember to what extent, okay, it 15 ended up those discussions but I remember 16 discussions regarding services to specific 17 countries in which may, okay, be in 18 contradiction to the agreements that we had. 19 Yes, I remember something like 20 that. 21 Q. Do you remember having 22 communications with people in the Ministry 23 of Defense on that subject? 24 A. No. It wouldn't have been me. I 25 would not have been involved, the other</p>

<p style="text-align: right;">Page 106</p> <p>1 Bar-Lev 2 disclosed to all of the partners and all of 3 the clients of ImageSat. 4 A. Yes. 5 Q. That would not be true of the SAR 6 technology, correct? 7 A. I am not involved anymore in the 8 SAR technology so I don't know. I really am 9 not in a position to answer that, but as I 10 told you before, okay, a lot of information 11 was disclosed in all kind of meetings to my, 12 some amazement, to some extent. 13 MR. MATETSKY: There is still a 14 representation that all of this is 15 germane to the issues we are here today 16 on? 17 MR. GOLDSTEIN: Absolutely. 18 Absolutely. 19 THE WITNESS: I rather you 20 concentrate on the technical parts. 21 MR. MATETSKY: I am waiting 22 patiently for the connection up. 23 THE WITNESS: As I said, yes, I 24 would like you to concentrate on the 25 technical part which I am more familiar</p>	<p style="text-align: right;">Page 108</p> <p>1 Bar-Lev 2 understand the president is kind of an 3 honorary position but I was dealing with the 4 technical part of the -- and the management 5 of the company basically, because the CEO 6 was a lawyer and lawyers usually, okay, are 7 not capable of managing technical companies. 8 MR. GOLDSTEIN: I would like to 9 show you what we will mark as Bar-Lev 10 Exhibit 2 which bears Bates numbers IAI 11 643 through 795. 12 (Project Finance Facility was 13 marked Bar-Lev Exhibit 2 for identification) 14 BY MR. GOLDSTEIN: 15 Q. Dr. Bar-Lev, have you ever seen 16 Bar-Lev Exhibit 2 before? 17 A. I may have. I don't remember. 18 Q. I would like you to look at the -- 19 A. Can I refer to the circumstances 20 of that? Okay? 21 Q. I will ask questions -- 22 A. So you will understand, okay? 23 Q. If I could ask you to look at page 24 794? 25 A. What do you mean by 794?</p>
<p style="text-align: right;">Page 107</p> <p>1 Bar-Lev 2 with and more able to answer your 3 questions. 4 BY MR. GOLDSTEIN: 5 Q. Are you familiar that in -- let 6 me -- withdrawn for a moment. 7 A. Yes. 8 Q. When did you leave ImageSat? 9 A. I think it was 2005 if I am not 10 mistaken. 11 Q. Are you aware that in July 2001 12 there was a credit agreement entered into 13 between ImageSat and Bank Leumi to obtain a 14 \$70 million in financing? 15 A. In general, yes, but I was 16 prohibited from getting the information of 17 that and/or participating in that by the 18 CEO. 19 Q. By the CEO? 20 A. By Mr. Weiss, yes, but definitely 21 I know there was an agreement like that that 22 was negotiated. 23 Q. And at that time what was your 24 title at ImageSat? 25 A. Well, basically you have to</p>	<p style="text-align: right;">Page 109</p> <p>1 Bar-Lev 2 MR. MATETSKY: In the lower 3 right-hand corner there is a set of 4 numbers. 5 THE WITNESS: Yes. 6 BY MR. GOLDSTEIN: 7 Q. There are -- that is a signature 8 page? 9 A. 794? 10 Q. Yes. 11 A. No, it is not 94. Sorry. 12 MR. MATETSKY: Two pages from the 13 end. 14 THE WITNESS: Yes. 15 BY MR. GOLDSTEIN: 16 Q. It is signed -- there appear to be 17 two signatures for ImageSat. 18 One is clearly Jacob Weiss. 19 Is that your signature? 20 A. No. 21 Q. Do you know whose it is? 22 A. No. It is not a good copy either 23 but it is not mine. Definitely not. 24 Q. Do you know what the money that 25 was provided by Bank Leumi was to be used</p>

28 (Pages 106 to 109)

<p style="text-align: right;">Page 110</p> <p>1 Bar-Lev 2 for? 3 A. No. I don't have recollection of 4 that, but, again, if you want to hear the 5 circumstances I can share it with you. 6 Maybe later if you want. 7 Q. Dr. Bar-Lev, you are saying that 8 you don't know why Bank Leumi was providing 9 the \$70 million, what the use of the 10 proceeds would be? 11 A. I didn't say that. I said that 12 ImageSat needed all the money it could, 13 okay, in order to buy satellites, in order 14 to buy launchers, in order to pay for 15 insurance for the satellites and so on. 16 This is a source of money to make 17 the company operate obviously. 18 Q. If I could refer you to page 717, 19 IAI 717 of -- 20 A. 717? 21 Q. Of Bar-Lev Exhibit 2. 22 A. Yes. 23 Which one? 24 Q. The very top it says Jurisdiction. 25 A. In what paragraph?</p>	<p style="text-align: right;">Page 112</p> <p>1 Bar-Lev 2 any dispute about this bank agreement -- 3 A. Yes. 4 Q. The parties agree to submit to the 5 jurisdiction of Israel? 6 MR. MATETSKY: Objection to form. 7 THE WITNESS: Well, you are asking 8 me a legal question. 9 If this is the only paragraph 10 related to this then obviously, yes. 11 BY MR. GOLDSTEIN: 12 Q. Further it -- the borrower here is 13 ImageSat; is that true? 14 A. It would seem so, yes. 15 Q. If you look at the middle of the 16 page -- 17 A. I will have to look and see what 18 is the -- it is someplace. 19 MR. MATETSKY: I can stipulate to 20 that. 21 THE WITNESS: Okay. Fine. 22 BY MR. GOLDSTEIN: 23 Q. If you look at the middle of the 24 page it says, "The borrower waives objection 25 to the Israeli courts on grounds of</p>
<p style="text-align: right;">Page 111</p> <p>1 Bar-Lev 2 MR. MATETSKY: The very top of 3 that page. 4 THE WITNESS: Let me to open it. 5 BY MR. GOLDSTEIN: 6 Q. The very top of that page. 7 A. Yes. 8 Q. It says that the jurisdiction of 9 any disputes in connection with any of these 10 documents, anyone who is involved would 11 submit to the jurisdiction of the District 12 Court of Tel Aviv, Jaffa; do you see that? 13 MR. MATETSKY: Objection to the 14 phrase "any of these documents." 15 BY MR. GOLDSTEIN: 16 Q. Referring specifically to the word 17 "In connection with any "Finance," capital 18 F, "document," close quote D? 19 MR. MATETSKY: Objection 20 withdrawn. 21 BY MR. GOLDSTEIN: 22 Q. Do you see the reference to 23 jurisdiction of Tel Aviv in Israel? 24 A. Yes. 25 Q. This provision means if there is</p>	<p style="text-align: right;">Page 113</p> <p>1 Bar-Lev 2 inconvenient forum or otherwise as regards 3 proceedings in connection with the finance 4 document." 5 Do you see that? 6 A. Are you checking my understanding 7 of English? 8 Q. No. I am asking if you see the 9 document, sir. 10 A. My eyesight or what? 11 Q. No. 12 In order for me to ask a 13 question -- 14 A. I would like to understand that. 15 Q. In order for me to ask a question 16 I have to read the question to you so you 17 have something to answer. 18 A. You are asking me if I can see it. 19 I can see it, yes. 20 Q. Do you understand that provision, 21 Dr. Bar-Lev, to -- 22 A. I understand English. That is 23 all. 24 Q. You understand that that provision 25 means that ImageSat agrees to waive any</p>

<p style="text-align: right;">Page 114</p> <p>1 Bar-Lev 2 objection to the Israeli courts on grounds 3 of inconvenient forum or otherwise? 4 A. If you want I can read it to you, 5 okay. This is what it means, okay. 6 Q. Then, finally, if you look to the 7 next page of the document it says, under 8 Governing Law, you see that? 9 A. Where? 10 Q. Number 33. 11 A. Okay. 12 Q. On the page we marked IAI 718, it 13 says, "This agreement is governed by Israeli 14 law." 15 I am asking you -- Dr. Bar-Lev, I 16 am not trying to question your ability to 17 read, please. I am just asking for purposes 18 of creating -- 19 A. But you can understand that I am 20 puzzled why you are wasting my time on 21 something that is obviously, okay, written, 22 okay. 23 Yes. I can read it. I can see 24 it. 25 Q. You would agree that ImageSat was</p>	<p style="text-align: right;">Page 116</p> <p>1 Bar-Lev 2 A. At least on the technical part, 3 yes, definitely. 4 Q. What was your responsibility in 5 that regard? 6 A. To make sure that I approved them 7 or not approved them. 8 MR. GOLDSTEIN: Let me show you 9 what we will mark as Bar-Lev Exhibit 3 10 which has Bates numbers IAI 101 through 11 200. 12 (EROS B1 Satellite Supply Contract 13 was marked Bar-Lev Exhibit 3 for 14 identification) 15 BY MR. GOLDSTEIN: 16 Q. Obviously I don't expect you to 17 read all of Exhibit 3 but it is entitled 18 EROS B1 Satellite Supply Contract. 19 It is from November 1998 and it is 20 dated. 21 A. Yes. 22 Q. Do you recall seeing this contract 23 before? 24 A. Probably, yes. 25 Q. At the time you were still the</p>
<p style="text-align: right;">Page 115</p> <p>1 Bar-Lev 2 agreeing to be governed by Israel law with 3 respect to this bank finance? 4 A. For this specific document, again, 5 okay. 6 Under Restrictions there are no 7 other articles regarding that, assuming 8 that. 9 Are we finished with that? 10 Q. For the moment, yes. 11 A. Okay. Just a minute. 12 MR. GOLDSTEIN: We will take a 13 break. 14 THE VIDEOGRAPHER: The time is 15 11:45. 16 We are off the record. 17 (Discussion off the record) 18 THE VIDEOGRAPHER: The time is 19 11:57. 20 We are on the record. 21 BY MR. GOLDSTEIN: 22 Q. During the time that you were at 23 ImageSat were you involved in looking at 24 satellite supply contracts between ImageSat 25 and IAI?</p>	<p style="text-align: right;">Page 117</p> <p>1 Bar-Lev 2 chief technology officer at ImageSat? 3 A. Oh, yes, yes. 4 Q. If you would look at page 103? 5 A. Yes. 6 Q. IAI 103? 7 A. Yes. 8 Q. There are initials? 9 A. Yes. 10 Q. On the bottom right-hand. 11 One of them looks to be MB. Is 12 that you? 13 A. Probably is because usually I have 14 an L also but MB, yes, it is the way I write 15 B. 16 Yes, it is mine. 17 Q. So then obviously you would have 18 looked at this contract. 19 Specifically, I would like to ask 20 you to look at page IAI 117. 21 A. Yes. You mean the terms and 22 conditions? 23 Q. Your initials -- 24 A. On each page. 25 Q. -- are on each page including the</p>

30 (Pages 114 to 117)

<p style="text-align: right;">Page 118</p> <p>1 Bar-Lev 2 bottom of this page IAI 117? 3 A. Yes. 4 Q. If you could look at article 15? 5 A. Yes. 6 Q. It is entitled Law and 7 Arbitration. 8 A. Yes. 9 Q. And it says that, "Any dispute or 10 disagreement arising between the parties in 11 connection with this contract will be 12 arbitrated in a proceeding in Tel Aviv which 13 will be final and binding on the parties." 14 Do you see that, sir? 15 A. Yes. 16 Q. Do you remember discussions at 17 ImageSat about the fact that the EROS B1 18 satellite supply contract from November 1998 19 would be subject to arbitration in Tel Aviv? 20 A. No. I don't remember but it is 21 clearly stated here. 22 It was changed later, you know, 23 once we got the investors in, yes. 24 Q. Do you recall whether the -- it is 25 your testimony, Dr. Bar-Lev, that there are</p>	<p style="text-align: right;">Page 120</p> <p>1 Bar-Lev 2 Q. Let me also ask you to look at 3 what we will mark as Bar-Lev Exhibit 4 which 4 is a satellite supply contract also from 5 1998 bearing Bates numbers IAI 1 through 100 6 and ask you to take a look at that. 7 A. Yes. 8 (Satellite Supply Contract was 9 marked Bar-Lev Exhibit 4 for identification) 10 THE WITNESS: What page. 11 BY MR. GOLDSTEIN: 12 Q. My first question to you is, if 13 you look at -- have you seen Bar-Lev Exhibit 14 4 before? 15 A. Oh, definitely. 16 Q. If you look at IAI, page 3 -- 17 A. Yes. 18 Q. Again, it is a little blurrier -- 19 A. No, no. It is my signature. 20 Q. It is your initials on each page 21 of the agreement, correct? 22 A. Yes, sure. 23 Q. If you look at page 15 of the 24 document which is IAI 17 do you see a law 25 and arbitration provision?</p>
<p style="text-align: right;">Page 119</p> <p>1 Bar-Lev 2 satellite supply contracts that provide for 3 other than arbitration in Tel Aviv under 4 Israeli law? 5 A. Maybe. I don't know. 6 I am just stating the fact, okay, 7 that the issue of the jurisdiction, okay, 8 was raised after we got some investing 9 money, okay, outside of Israel. 10 Q. Let me ask you this question, sir. 11 Do you recall any discussion at 12 the time this contract was signed and 13 initialed by you in 1998 about the fact that 14 any disputes with respect to this satellite 15 supply contract would be governed by the 16 laws of Israel and arbitrated in Israel? 17 A. No. I don't remember that. 18 I probably didn't even participate 19 in the negotiation but I went through it 20 together with Mr. Wilson and got full 21 explanation. 22 I was responsible for the 23 technical part of it which I negotiated with 24 IAI, but, yes, this is my signature and I 25 went through it.</p>	<p style="text-align: right;">Page 121</p> <p>1 Bar-Lev 2 A. What page please; 15 or 17? 3 Q. The Bates number is IAI 17. 4 A. Oh, 17. 5 MR. MATETSKY: Would it help if I 6 stipulated it is the same? 7 MR. GOLDSTEIN: Sure. I am not 8 looking to -- let me make sure that we 9 have the correct stipulation which is 10 that the November -- 11 THE WITNESS: Yes, it is the same. 12 BY MR. GOLDSTEIN: 13 Q. 1998 EROS A satellite supply 14 contract provided for arbitration in Israel 15 with respect to any disputes relating to the 16 interpretation or execution of this contract 17 which would be governed by the law of 18 Israel? 19 MR. MATETSKY: That's right. That 20 is what it says. 21 THE WITNESS: Yes. 1998, yes. 22 Makes sense. 23 MR. GOLDSTEIN: If we can then 24 mark as Bar-Lev Exhibit 5? 25 (Amended and Restated EROS B1</p>

31 (Pages 118 to 121)

<p style="text-align: right;">Page 122</p> <p>1 Bar-Lev</p> <p>2 Satellite Supply Contract from July 25, 2000</p> <p>3 was marked Bar-Lev Exhibit 5 for</p> <p>4 identification)</p> <p>5 THE WITNESS: What am I going do</p> <p>6 with all of that? Give it to you?</p> <p>7 MR. MATETSKY: It is going to sit</p> <p>8 in my office and eventually go to an</p> <p>9 expensive storage place for large sums</p> <p>10 of money that will be debited to you</p> <p>11 personally.</p> <p>12 THE WITNESS: I will regret I</p> <p>13 signed all of those documents.</p> <p>14 What date is that?</p> <p>15 BY MR. GOLDSTEIN:</p> <p>16 Q. First, I am going ask you whether</p> <p>17 you have seen -- this is an amended and</p> <p>18 restated EROS B1 satellite supply contract</p> <p>19 from July 25, 2000.</p> <p>20 A. Can I have a minute to look at it?</p> <p>21 Q. Sure.</p> <p>22 MR. MATETSKY: I think this copy</p> <p>23 is missing the exhibits as well as the</p> <p>24 signature page.</p> <p>25 MR. GOLDSTEIN: It has a signature</p>	<p style="text-align: right;">Page 124</p> <p>1 Bar-Lev</p> <p>2 A. Yes. I can see that.</p> <p>3 Q. Specifically the article 15, law</p> <p>4 and arbitration section.</p> <p>5 A. Yes.</p> <p>6 Q. And give you an opportunity to</p> <p>7 read it.</p> <p>8 A. I read it.</p> <p>9 Q. And then there is actually on the</p> <p>10 following page, IAI 813, there is a</p> <p>11 provision, 15.2, that says, "This contract</p> <p>12 shall be governed and interpreted under and</p> <p>13 in accordance with the State of Israel."</p> <p>14 Do you see that?</p> <p>15 A. Yes.</p> <p>16 Q. Is it fair to say then,</p> <p>17 Dr. Bar-Lev, that as of July 25, 2000 at the</p> <p>18 very same time that the deal with Pegasus</p> <p>19 was signed ImageSat and Israel Aircraft</p> <p>20 entered into an amended satellite supply</p> <p>21 contract for the EROS B1 satellite that</p> <p>22 provided that any disputes regarding that</p> <p>23 contract would be resolved by arbitration in</p> <p>24 Israel and subject to the laws of Israel?</p> <p>25 A. What I understand this is is a</p>
<p style="text-align: right;">Page 123</p> <p>1 Bar-Lev</p> <p>2 page on the second page, 797.</p> <p>3 MR. MATETSKY: Okay.</p> <p>4 THE WITNESS: I am familiar with</p> <p>5 this satellite, yes.</p> <p>6 BY MR. GOLDSTEIN:</p> <p>7 Q. Let me focus you, Dr. Bar-Lev, on</p> <p>8 the timing of this.</p> <p>9 This amended and restated</p> <p>10 satellite supply contract is dated July 25,</p> <p>11 2000.</p> <p>12 Am I correct, Dr. Bar-Lev, that</p> <p>13 that was the same date that Pegasus first</p> <p>14 made its investment?</p> <p>15 A. Yes.</p> <p>16 Q. In ImageSat?</p> <p>17 A. Yes.</p> <p>18 Q. And so this contract was signed</p> <p>19 between ImageSat and Israel -- Israel</p> <p>20 Aircraft at a time when the company had</p> <p>21 fully negotiated the Pegasus agreement;</p> <p>22 correct?</p> <p>23 A. Yes, yes.</p> <p>24 Q. I would like you to look at page</p> <p>25 IAI 812.</p>	<p style="text-align: right;">Page 125</p> <p>1 Bar-Lev</p> <p>2 supply contract, selling satellite by IAI to</p> <p>3 ImageSat.</p> <p>4 The answer is under that, yes.</p> <p>5 MR. GOLDSTEIN: Let me ask you</p> <p>6 what we will mark as Bar-Lev Exhibit 6.</p> <p>7 It is a document entitled Second Amended</p> <p>8 and Restated EROS B Satellite Supply</p> <p>9 Contract bearing Bates numbers IAI 201</p> <p>10 through 285.</p> <p>11 (Second Amended and Restated EROS</p> <p>12 B Satellite Supply Contract bearing Bates</p> <p>13 numbers IAI 201 through 285 was marked</p> <p>14 Bar-Lev Exhibit 6 for identification)</p> <p>15 THE WITNESS: Are we disputing</p> <p>16 satellite supplies?</p> <p>17 MR. MATETSKY: Just answer the</p> <p>18 questions.</p> <p>19 THE WITNESS: Okay. Let me see.</p> <p>20 Again, I am not signed on that.</p> <p>21 Is it always the signature?</p> <p>22 BY MR. GOLDSTEIN:</p> <p>23 Q. Let me ask you, this agreement</p> <p>24 is -- says on it, July 25, 2001.</p> <p>25 Do you see that, sir?</p>

<p style="text-align: right;">Page 126</p> <p>1 Bar-Lev</p> <p>2 A. Yes.</p> <p>3 Q. And it is entitled Second Amended</p> <p>4 and Restated EROS B Satellite Supply</p> <p>5 Contract, correct?</p> <p>6 A. Yes.</p> <p>7 Q. And you saw this contract before</p> <p>8 it was signed as well?</p> <p>9 A. I probably did. Probably did.</p> <p>10 Q. In fact, if you look at some of</p> <p>11 the -- if you go to IAI 227 you signed each</p> <p>12 page of the Exhibit B, Mission Requirements;</p> <p>13 is that correct?</p> <p>14 A. You can see now the L, right?</p> <p>15 Q. Yes.</p> <p>16 A. All right.</p> <p>17 Q. You also signed --</p> <p>18 A. This is the technical part, right?</p> <p>19 Q. And you also signed each page of</p> <p>20 Exhibit D which is the statement of work for</p> <p>21 EROS B?</p> <p>22 A. If it is technical, I did.</p> <p>23 Q. If it is technical you signed it?</p> <p>24 A. Yes.</p> <p>25 Q. Dr. Bar-Lev, you similarly signed</p>	<p style="text-align: right;">Page 128</p> <p>1 Bar-Lev</p> <p>2 A. Yes.</p> <p>3 Q. Under Mr. Weiss's signature there</p> <p>4 is another signature.</p> <p>5 A. It is Ori, O-R-I; Ben, B-E-N; Amoz</p> <p>6 AMOZ, the CEO.</p> <p>7 Q. It is correct, Dr. Bar-Lev, that</p> <p>8 there are numerous claims that you and the</p> <p>9 other plaintiffs bring in this litigation</p> <p>10 that are based on Bar-Lev Exhibit 6, this</p> <p>11 amended and restated EROS B Satellites</p> <p>12 supply contract?</p> <p>13 MR. MATETSKY: If you can't think</p> <p>14 of six objections to that question you</p> <p>15 are not trying.</p> <p>16 I object to the form.</p> <p>17 BY MR. GOLDSTEIN:</p> <p>18 Q. You can answer.</p> <p>19 A. Should I?</p> <p>20 MR. MATETSKY: If you can</p> <p>21 understand it, you can answer it.</p> <p>22 THE WITNESS: I don't understand.</p> <p>23 MR. GOLDSTEIN: Shocking how that</p> <p>24 works, isn't it?</p> <p>25 MR. MATETSKY: Why don't you read</p>
<p style="text-align: right;">Page 127</p> <p>1 Bar-Lev</p> <p>2 Exhibit E which is the EROS B1 Program</p> <p>3 Schedule?</p> <p>4 A. Yes.</p> <p>5 Q. Beginning on IAI 268?</p> <p>6 A. I don't even look at it.</p> <p>7 If my signature is there,</p> <p>8 obviously, I did. Yes.</p> <p>9 I am just trying to see what kind</p> <p>10 of satellite it is.</p> <p>11 Yes, okay.</p> <p>12 Q. Finally, you signed Exhibit G</p> <p>13 which is the EROS B1 in orbit test?</p> <p>14 A. Yes.</p> <p>15 Q. Beginning on IAI 278; is that</p> <p>16 correct?</p> <p>17 MR. MATETSKY: Look and make sure.</p> <p>18 There were some you didn't sign.</p> <p>19 THE WITNESS: What page?</p> <p>20 BY MR. GOLDSTEIN:</p> <p>21 Q. 278.</p> <p>22 A. My signature is on 278, yes.</p> <p>23 Q. If you go to page 285, the last</p> <p>24 document, the last document -- the last page</p> <p>25 of the document?</p>	<p style="text-align: right;">Page 129</p> <p>1 Bar-Lev</p> <p>2 it back?</p> <p>3 MR. GOLDSTEIN: I will start</p> <p>4 again.</p> <p>5 THE WITNESS: I will answer your</p> <p>6 question.</p> <p>7 Regarding EROS B?</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. Right.</p> <p>10 A. You have to remember there was a</p> <p>11 history, okay, starting with EROS B in one</p> <p>12 configuration and then it went into a</p> <p>13 configuration which was a much better</p> <p>14 configuration.</p> <p>15 Finally, it ended up with</p> <p>16 satellite, not in this date, I think two</p> <p>17 years later, which was a much inferior</p> <p>18 satellite, okay, to any of the other</p> <p>19 configurations, okay, and whatever you are</p> <p>20 going to bring up, that probably would be</p> <p>21 the case.</p> <p>22 Q. I take it from your answer,</p> <p>23 Dr. Bar-Lev, that this contract is one of</p> <p>24 the principal claims that you assert in this</p> <p>25 litigation against the defendants, correct?</p>

<p style="text-align: right;">Page 130</p> <p>1 Bar-Lev 2 MR. MATETSKY: Objection to form. 3 I think you misspoke. I don't think -- 4 BY MR. GOLDSTEIN: 5 Q. You can answer. 6 A. No, I don't. I don't understand 7 really so I would rather not. 8 Q. Is it correct to say that one of 9 your central claims in the litigation you 10 brought against the defendants is that this 11 satellite that was ultimately provided to 12 ImageSat was inferior to the satellite that 13 was contracted for to be provided as 14 reflected in Bar-Lev Exhibit 6? 15 A. This one? 16 Q. Yes. 17 A. Let me just make sure, okay? 18 I think the answer is, yes, but 19 let me make sure. That is why I looked. 20 MR. MATETSKY: While he is doing 21 that I will object to the form. 22 THE WITNESS: I looked at it. 23 Yes, it was. 24 BY MR. GOLDSTEIN: 25 Q. Now, I would like you to look at</p>	<p style="text-align: right;">Page 132</p> <p>1 Bar-Lev 2 A. This is the supply contract, 3 right? 4 Yes, yes. 5 Q. And a supply contract that is a 6 significant claim -- that is the source of a 7 significant claim in your litigation, 8 correct? 9 MR. MATETSKY: Objection to form. 10 THE WITNESS: I don't know. 11 BY MR. GOLDSTEIN: 12 Q. You can answer that question. 13 A. No, I don't. 14 Q. I -- 15 A. He objected and I didn't answer. 16 MR. MATETSKY: You can answer the 17 question. 18 Repeat the question please. 19 BY MR. GOLDSTEIN: 20 Q. And is it correct that this supply 21 contract and its terms is a source of a 22 significant claim that plaintiffs bring 23 against the defendants in this litigation? 24 A. Yes, but you have to look at the 25 context, okay, under which the claim is.</p>
<p style="text-align: right;">Page 131</p> <p>1 Bar-Lev 2 IAI 221 in Bar-Lev Exhibit 6. 3 IAI 221 in the document you have, 4 yes. 5 A. This one? 6 Q. Yes. 7 A. Where? 8 Q. IAI 221 is the Bates number. 9 A. Okay. Yes. 10 Q. Dr. Bar-Lev, as with the other 11 satellite supply contracts we have seen this 12 contract also contains a provision that any 13 disputes or disagreements arising in 14 connection with this contract or in relation 15 to its interpretation will be resolved in an 16 arbitration in Tel Aviv subject to the laws 17 of Israel? 18 A. That is what it says, yes. 19 Q. And this contract is between 20 Israel Aircraft and ImageSat, correct? 21 A. I believe so. Let me just see. 22 Between the buyer, ImageSat, and 23 Israel Aircraft, yes. 24 Q. And is this agreement long after 25 Pegasus made its investment in ImageSat?</p>	<p style="text-align: right;">Page 133</p> <p>1 Bar-Lev 2 And the claim is that the 3 satellite that was supplied, okay, is 4 inferior to the satellite, okay, that we 5 have intended to and basically we objected 6 to that. 7 You may ask how did I agree to 8 serve the company after that and I can 9 answer this question, if you will answer me, 10 but you have to remember that this is the 11 context, okay. This is part of the problem, 12 okay? 13 Q. I take it, though, Dr. Bar-Lev, 14 that you allege that this contract was 15 breached by Israel Aircraft, correct? 16 A. No. 17 Q. No, you don't claim that there was 18 any breach of contract by Israel Aircraft of 19 this agreement, Bar-Lev Exhibit 6? 20 MR. MATETSKY: Objection to form. 21 THE WITNESS: What do you mean by 22 "breached." 23 BY MR. GOLDSTEIN: 24 Q. That Israel Aircraft did not 25 comply with the terms of the contract as</p>

<p style="text-align: right;">Page 134</p> <p>1 Bar-Lev 2 reflected in Bar-Lev Exhibit 6? 3 A. Let me explain to you. 4 Q. You have to, for the benefit of 5 the court reporter, you have to let me 6 finish and then you can respond. 7 A. You didn't finish? Okay. Sorry. 8 He asked me a question. 9 MR. MATETSKY: Are you going to 10 repeat the question? 11 THE WITNESS: You asked me a 12 question. 13 MR. MATETSKY: You were giving an 14 answer. Go ahead. He was going to 15 explain and he started to explain and 16 the reporter had to cut him off. Now he 17 is going to give the explanation. 18 BY MR. GOLDSTEIN: 19 Q. There is not a pending question. 20 MR. MATETSKY: There is a pending 21 question. 22 If you don't let him answer I will 23 move to strike the entire line. 24 MR. GOLDSTEIN: You can move to 25 strike whatever, Mr. Matetsky, you would</p>	<p style="text-align: right;">Page 136</p> <p>1 Bar-Lev 2 understand them. 3 EROS B, when we started, okay, was 4 based on some design, okay, that already 5 existed. 6 Later on it was improved, okay, to 7 include a multispectral and a bigger camera 8 and that was the satellite that was started 9 to be designed, okay, and was acceptable for 10 marketing, competition and so on, okay. 11 And that was based on our 12 assessment, strategy assessment, of 13 competition in the international world. 14 At some point, okay, there was a 15 work stoppage, I don't remember when, I 16 think it was 2001, okay, 17 July or 17 something like that, I think, something like 18 that. 19 Q. What year? 20 A. 2001, I think. I think 2001. 21 Okay. 22 And after that, okay, ImageSat was 23 trying to revive the program. 24 The end result was that it was 25 suggested to take an existing design based</p>
<p style="text-align: right;">Page 135</p> <p>1 Bar-Lev 2 like to move to strike. 3 There is no pending question. 4 MR. MATETSKY: I don't think that 5 is an accurate statement of the record. 6 MR. GOLDSTEIN: Okay. 7 THE WITNESS: Are you not 8 interested in my answer? 9 MR. MATETSKY: Apparently not. 10 BY MR. GOLDSTEIN: 11 Q. Well, the question, Dr. Bar-Lev, 12 that I think you answered but I will ask 13 again, is, you contend as one of the 14 plaintiffs in the litigation that Israel 15 Aircraft did not meet its obligations -- 16 A. Yes. 17 Q. -- in connection with what we have 18 marked as Bar-Lev Exhibit 6, this 2001 July 19 EROS B supply contract? 20 A. That needs explanation. That is 21 what I was going to tell you. It is not a 22 yes or no. 23 Q. Sure. Go ahead. 24 A. Probably you would like to be 25 aware of the facts at least the way we</p>	<p style="text-align: right;">Page 137</p> <p>1 Bar-Lev 2 on Ofeq 5, okay, which we, okay, I mean Dr. 3 Rosenbaum and me, objected to that because 4 it was a much inferior satellite. 5 There is a confusion because B1 6 became C and there is a lot of confusion 7 there. 8 That was the satellite that 9 finally, okay, was launched, okay, including 10 some modification in some subsystems that I 11 already had, okay, and I asked in order to 12 ask the management of ImageSat declared 13 would be the right thing in order to be in 14 the right schedule or time frame regarding 15 penalties of SOPs and things like that. 16 We objected to that, okay. We 17 said, this is the wrong satellite. It is 18 not the right satellite to do that, and this 19 is what I am trying to tell you, okay, that 20 I cannot tell you this specific agreement 21 does not represent the final satellite that 22 was launched, okay, to my best of my 23 recollection. I will look at it later. I 24 don't have the time to go into detail. 25 Q. In fact, Dr. Bar-Lev, if I</p>

<p style="text-align: right;">Page 138</p> <p>1 Bar-Lev 2 understand the background you just provided, 3 that the fact that this wasn't the satellite 4 that was ultimately launched is a basis of 5 one of your claims in this litigation 6 against -- 7 A. No, I am not sure this is what I 8 said. 9 I said a better satellite was 10 starting to be developed and as I looked it 11 is not this supply contract. 12 It is not -- you want me to look 13 at it again and tell you definitely this is 14 not the one? 15 I will do that gladly. 16 Q. Go right ahead. 17 A. Yes. 18 It is not. Of course, it is not. 19 Would you like to know why? 20 Very simply. You have a 21 multispectral here. I am not even looking. 22 Q. Just what page are you referring 23 to, Dr. Bar-Lev? 24 A. 233. 25 Q. You handwrote notes over -- you</p>	<p style="text-align: right;">Page 140</p> <p>1 Bar-Lev 2 BY MR. GOLDSTEIN: 3 Q. Dr. Bar-Lev, I have just marked as 4 Bar-Lev Exhibit 7 a document entitled EROS B 5 Satellite Supply Contract dated June 4, 2004 6 and bearing Bates numbers IAI 286 through 7 323. 8 A. Yes. 9 Q. My question to you is: Have you 10 seen this document before? 11 A. Yes. 12 Q. So far as you know this was the 13 last satellite supply contract that was 14 entered into between IAI and ImageSat? 15 A. Yes. The last one when I was 16 there, yes. 17 Q. Yes. 18 And if you would again please look 19 at the third page of the document, the 20 signature page, which is IAI 288, your 21 signature is on the document? 22 A. Yes. 23 Q. And -- 24 A. And I explained the circumstances, 25 part of it.</p>
<p style="text-align: right;">Page 139</p> <p>1 Bar-Lev 2 put a little mark -- 3 A. Yes, just to show you I am not 4 looking at the whole thing. 5 It is enough for me to see the 6 spectral bands, full multispectral, it is 7 not black and white, it is in color. 8 That was the satellite that was 9 going to be launched, should have been 10 launched, in our opinion, and was not 11 launched. 12 MR. MATETSKY: Eric, I think you 13 need to do a tape change. 14 THE VIDEOGRAPHER: The time is 15 12:28. 16 We are off the record. 17 (Discussion off the record) 18 MR. GOLDSTEIN: Number 7. 19 (EROS B Satellite Supply Contract 20 dated June 4, 2004 was marked Bar-Lev 21 Exhibit 7 for identification) 22 THE VIDEOGRAPHER: The time is 23 12:29. 24 We are on the record. 25</p>	<p style="text-align: right;">Page 141</p> <p>1 Bar-Lev 2 Q. Let me ask the question. 3 A. Okay. 4 Q. Once again this is jurisdictional 5 and not merits and it goes to the issues 6 that you want to dismiss? 7 A. Yes. 8 Q. Looking to page IAI 317 which is 9 entitled Article 15, Law and Arbitration, do 10 you see that, sir? 11 A. Yes. 12 Q. Would you please look at that? 13 A. Yes. I looked at it. 14 Q. Article 15.1 and 15.2? 15 A. Yes. 16 Q. Would you agree, sir, that once 17 again this 2004 supply satellite contract 18 also provides that any disputes relating to 19 or arising under this contract are going to 20 be arbitrated in Tel Aviv under the laws of 21 Israel? 22 A. Yes. 23 Q. And is it fair to say, 24 Dr. Bar-Lev, that every supply contract of 25 which you are aware, not only at the</p>

<p style="text-align: right;">Page 142</p> <p>1 Bar-Lev 2 beginning but through the entire time that 3 you were involved with ImageSat, had a 4 provision saying that any disagreements 5 relating to those contracts would be subject 6 to arbitration in Tel Aviv and governed by 7 the laws of Israel? 8 MR. MATETSKY: Objection to the 9 form. 10 THE WITNESS: Every one I saw is, 11 yes; the answer is, yes. 12 BY MR. GOLDSTEIN: 13 Q. Are you aware of any that I have 14 not shown you? 15 A. Not at this moment. 16 Q. Let me finish the question. 17 Are you aware of any that I have 18 not shown you that, and I take it -- let me 19 withdraw that. 20 You are aware? 21 A. The answer is, yes, anyway, 22 whatever form. 23 Q. Let me take you on the road, 24 Dr. Bar-Lev, and I take it that you are not 25 aware of any contract between Israel</p>	<p style="text-align: right;">Page 144</p> <p>1 Bar-Lev 2 BY MR. GOLDSTEIN: 3 Q. Dr. Bar-Lev, you understand what 4 Bar-Lev Exhibit 8 is? 5 A. No. 6 Q. Let me represent to you, sir, that 7 it reflects an agreement among ImageSat, 8 Bank Leumi, Israel Aircraft and various 9 investors in ImageSat including the Pegasus 10 entities? 11 A. I can see that. 12 Q. You can see that, sir? 13 A. Yes, I can see that, yes. 14 Q. And this document was dated 15 July 25, 2001, correct? 16 A. Uh-huh. 17 Q. You have to say, yes, Dr. Bar-Lev. 18 MR. MATETSKY: Or no or I don't 19 know. 20 Those are all good answers but not 21 uh-huh. 22 THE WITNESS: Yes. 23 BY MR. GOLDSTEIN: 24 Q. I would like to refer you to page 25 IAI 630.</p>
<p style="text-align: right;">Page 143</p> <p>1 Bar-Lev 2 Aircraft and ImageSat relating to a supply 3 contract that does not contain an 4 arbitration clause for Tel Aviv governed by 5 the law of Israel? 6 A. Not at this moment, no. 7 MR. GOLDSTEIN: Off the record. 8 THE VIDEOGRAPHER: The time is 9 12:33. 10 We are off the record. 11 (Discussion off the record) 12 THE VIDEOGRAPHER: The time is 13 12:35. 14 We are on the record. 15 MR. GOLDSTEIN: I would like to 16 mark as Bar-Lev Exhibit 8 a document 17 entitled Intercreditor Agreement dated 18 July 25, 2001 between ImageSat, Bank 19 Leumi, Noteholders and Subordinated 20 Creditors. 21 (Intercreditor Agreement dated 22 July 25, 2001 between ImageSat, Bank Leumi, 23 Noteholders and Subordinated Creditors was 24 marked Bar-Lev Exhibit 8 for identification) 25</p>	<p style="text-align: right;">Page 145</p> <p>1 Bar-Lev 2 By the way, let me say for the 3 record that Bar-Lev Exhibit 8 bears Bates 4 numbers IAI 601 through 642 and I am asking 5 you to look at IAI 630. 6 A. Yes. I see, yes. 7 I have never seen this before. 8 Just for the record, I didn't see. I am not 9 aware of it. 10 Q. If you could look, sir, at, as I 11 said, IAI 630, and specifically paragraph 12 27, governing law and jurisdiction? 13 A. Yes, I saw that. 14 Q. You have read it now? 15 A. Yes. 16 Q. Would you agree that it provides 17 that all the parties to this agreement agree 18 that any disputes arising out of this 19 intercreditor agreement are to be governed 20 by the law of Israel with each party 21 agreeing to submit the exclusive 22 jurisdiction of the courts of Israel? 23 A. Yes. 24 Q. As I think you said, parties to 25 this agreement include ImageSat's investors,</p>

<p style="text-align: right;">Page 146</p> <p>1 Bar-Lev 2 correct? 3 MR. MATETSKY: Objection to the 4 form. 5 BY MR. GOLDSTEIN: 6 Q. You can answer. 7 A. It is a statement. It is right. 8 You are asking me if the 9 observation is right. 10 Yes, the observation is right. 11 MR. MATETSKY: Hang on. 12 Do you mean all of ImageSat's 13 investors? 14 MR. GOLDSTEIN: Mr. Matetsky, when 15 I want you to testify I will have you 16 testify. 17 MR. MATETSKY: You are blatantly 18 misrepresenting the document on the 19 record. 20 MR. GOLDSTEIN: Mr. Matetsky, I 21 ask you to be quiet. 22 You know what is an appropriate 23 thing to say or not say. 24 That is entirely inappropriate. 25 The witness -- let's not clutter the</p>	<p style="text-align: right;">Page 148</p> <p>1 Bar-Lev 2 have a security clearance. 3 Q. Do you know, Dr. Bar-Lev, whether 4 in connection with the work you did at 5 ImageSat you were given a security 6 clearance? 7 A. No. I don't know. 8 Q. You don't know? 9 A. I don't know. 10 I don't think so, by the way. If 11 it was, it was due to my reserve duties and 12 my former work at IAI which might have 13 applied. 14 Q. Let me mark as -- actually, I 15 don't think we need to mark it. 16 I would like to show you a 17 document that your counsel has filed in this 18 litigation. 19 MR. MATETSKY: We didn't 20 technically file it but we exchanged it 21 with the other side. 22 BY MR. GOLDSTEIN: 23 Q. By the way, Dr. Bar-Lev, before 24 you look at that document, while you were at 25 ImageSat were you provided with any access</p>
<p style="text-align: right;">Page 147</p> <p>1 Bar-Lev 2 record. 3 MR. MATETSKY: You stop, I will 4 stop. 5 THE WITNESS: I answer, I agreed 6 whatever is written here is right. That 7 is all. 8 BY MR. GOLDSTEIN: 9 Q. When you were at ImageSat, 10 Dr. Bar-Lev, you had security clearance, 11 correct? 12 A. From whom? 13 Q. From the Israeli military. 14 A. At what time, what year? 15 Q. Let's -- let me ask it more 16 broadly. 17 At any time when you were an 18 executive of ImageSat did you have security 19 clearance? 20 A. I really can't answer that. I 21 will tell you why, okay, because I don't 22 remember when I finished my reserve duties 23 and I don't know if after the reserve duties 24 your security clearance is annulled or not. 25 I really don't know. I may still</p>	<p style="text-align: right;">Page 149</p> <p>1 Bar-Lev 2 at any point to classified information? 3 A. At ImageSat in the role of my 4 position at ImageSat? 5 Q. My question to you, Dr. Bar-Lev, 6 is whether at any point -- 7 A. No, I don't think so. 8 Q. At any point during the time you 9 were employed by ImageSat were you 10 provided -- whether you were provided with 11 any classified information? 12 A. By whom? You have to specify 13 that. 14 Q. By anyone who was providing you 15 with classified information. 16 A. Commercial. 17 Q. Classified by the Israeli 18 government? 19 A. I must say that I don't remember 20 anything like that but I have to look at it 21 back, okay, because you are not specifying 22 military ones. You are specifying by the 23 Government of Israel. 24 Q. Including. I wasn't seeking to 25 limit the question.</p>

<p style="text-align: right;">Page 234</p> <p>1 Bar-Lev</p> <p>2 investor, as a shareholder, okay, as a</p> <p>3 shareholder I thought it is the right</p> <p>4 thing to do it in New York according to</p> <p>5 the other investors that would have been</p> <p>6 damaged, okay, according to the</p> <p>7 plaintiff's complaint.</p> <p>8 BY MR. MILLER:</p> <p>9 Q. You are talking about the other</p> <p>10 investors that are parties to other</p> <p>11 agreements that are not part of this</p> <p>12 lawsuit, right?</p> <p>13 MR. MATETSKY: Objection to form.</p> <p>14 THE WITNESS: I don't understand.</p> <p>15 There are a lot of plaintiffs here</p> <p>16 which are shareholders, okay, which are</p> <p>17 Americans as well.</p> <p>18 BY MR. MILLER:</p> <p>19 Q. Okay.</p> <p>20 A. Some of them, so it just made</p> <p>21 sense that it should be in New York.</p> <p>22 Q. For you personally?</p> <p>23 A. It doesn't matter.</p> <p>24 Q. It doesn't matter, right?</p> <p>25 MR. MATETSKY: Objection to form.</p>	<p style="text-align: right;">Page 236</p> <p>1 Bar-Lev</p> <p>2 brought yet which may have to be brought in</p> <p>3 New York are there any other reasons that</p> <p>4 you believe the lawsuit should take place in</p> <p>5 New York?</p> <p>6 A. I think it is a business issue,</p> <p>7 okay, that should have been resolved in the</p> <p>8 right environment without putting any other</p> <p>9 issues on the board, okay, so I thought</p> <p>10 that, as I said before, that New York is the</p> <p>11 right place because of what I thought and</p> <p>12 because of the other contracts that we had.</p> <p>13 Q. What is the business issues that</p> <p>14 you are referring to?</p> <p>15 A. Business issues is the point of</p> <p>16 the shareholders being cramped down, one of</p> <p>17 the issues being of the companies that could</p> <p>18 have been a much better company would have</p> <p>19 some decisions been made or would have</p> <p>20 other, I would say, influences would have</p> <p>21 not been exercised, okay.</p> <p>22 This is business issues. Okay.</p> <p>23 It has nothing do with technical issues.</p> <p>24 Q. Okay.</p> <p>25 So basically what you are saying,</p>
<p style="text-align: right;">Page 235</p> <p>1 Bar-Lev</p> <p>2 THE WITNESS: Well, don't take it</p> <p>3 out of context.</p> <p>4 BY MR. MILLER:</p> <p>5 Q. Sir, I am asking you the question.</p> <p>6 Excuse me. Let me ask the question.</p> <p>7 With respect to you personally the</p> <p>8 fact that it is in New York does not help</p> <p>9 you, does it?</p> <p>10 MR. MATETSKY: Objection to form.</p> <p>11 THE WITNESS: Okay. I think -- I</p> <p>12 will tell you, okay, what I can say, yes</p> <p>13 or no.</p> <p>14 I think New York is the right</p> <p>15 place to do it, okay.</p> <p>16 If it would have been decided to</p> <p>17 do it someplace else I probably would</p> <p>18 have considered it.</p> <p>19 BY MR. MILLER:</p> <p>20 Q. Other than --</p> <p>21 A. But I didn't.</p> <p>22 Q. Okay.</p> <p>23 Other than the fact that other</p> <p>24 plaintiffs reside in New York and there are</p> <p>25 other potential lawsuits which haven't been</p>	<p style="text-align: right;">Page 237</p> <p>1 Bar-Lev</p> <p>2 if I may paraphrase, tell me if I am wrong,</p> <p>3 is that the reason you think this lawsuit</p> <p>4 should be in New York is because certain of</p> <p>5 the other plaintiffs are in the United</p> <p>6 States and because there were certain other</p> <p>7 agreements that other investors, not you,</p> <p>8 but other investors, had that provided for</p> <p>9 litigation in New York, is that a fair</p> <p>10 summary of the reasons you think this should</p> <p>11 be tried here?</p> <p>12 MR. MATETSKY: Objection to form.</p> <p>13 THE WITNESS: No. It is not a</p> <p>14 fair assessment.</p> <p>15 BY MR. MILLER:</p> <p>16 Q. What did I leave out? What else?</p> <p>17 A. I said to the best of my</p> <p>18 assessment this is the right place to do it.</p> <p>19 Okay.</p> <p>20 Q. For what reason?</p> <p>21 A. I said because most of the</p> <p>22 contracts that had to do with business</p> <p>23 issues was under the jurisdiction of New</p> <p>24 York and this is a business issue.</p> <p>25 Q. Anything else?</p>

<p style="text-align: right;">Page 238</p> <p>1 Bar-Lev 2 A. It is not a supply. Supply, I 3 understand, or I may understand. 4 It is an issue between IAI, 5 ImageSat being governed by the MOD, I could 6 understand why it should be in the Israeli 7 law. 8 I would hate to come and defend 9 some kind of technical issues and history of 10 the space and probably I wouldn't have done 11 it in New York but on the business issue, 12 definitely, yes. 13 Q. Anything else? 14 A. I am too tired to think. 15 Q. Give me one second. 16 That is fine. 17 MR. MILLER: I have no further 18 questions. 19 THE WITNESS: Thank you. 20 THE VIDEOGRAPHER: The time is 21 3:02. 22 We are off the record. 23 (Discussion off the record) 24 MR. MATETSKY: I have no 25 questions.</p>	<p style="text-align: right;">Page 240</p> <p>1 Bar-Lev 2 CERTIFICATE 3 STATE OF NEW YORK) 4 : Ss 5 COUNTY OF NEW YORK) 6 I, Steven Neil Cohen, a Registered 7 Professional Reporter and Notary Public 8 within and for the State of New York, do 9 hereby certify: That MOSHE BAR-LEV, the 10 witness whose deposition is herein before 11 set forth, was duly sworn by me and that 12 such deposition is a true record of the 13 testimony given by such witness. 14 I further certify that I am not 15 related to any of the parties to this action 16 by blood or marriage and that I am in no way 17 interested in the outcome of this matter. 18 I further certify that neither the 19 deponent nor a party requested a review of 20 the transcript pursuant to Federal Rule of 21 Civil Procedure 30(e) before the deposition 22 was completed. 23 In witness whereof, I have 24 hereunto set my hand this 27th day of 25 February 2008. -----</p>
<p style="text-align: right;">Page 239</p> <p>1 Bar-Lev 2 (Time noted: 3:02 p.m.) 3 4 5 _____ 6 MOSHE BAR-LEV 7 8 Subscribed and sworn to 9 before me this day 10 of 2008. 11 _____ 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 241</p> <p>1 Bar-Lev 2 INDEX OF EXAMINATION 3 WITNESS PAGE 4 MOSHE BAR-LEV 9 5 By Mr. Goldstein 13 6 By Mr. Bak 175 7 By Mr. Miller 200 8 9 EXHIBITS 10 BAR-LEV 11 EXHIBIT NO. MARKED 12 1 Document with Bates 77 13 Numbers 00598 through 14 600 15 16 2 Project Finance 108 17 Facility 18 19 3 EROS B1 Satellite 116 20 Supply Contract 21 22 4 Satellite Supply 120 23 Contract 24 25 5 Amended and Restated 121</p>

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